SENATE MOTION

MADAM PRESIDENT:

I move that Senate Bill 577 be amended to read as follows:

1   Page 27, line 16, delete "has the authority to approve under this" and
2   insert **"operated before the management agreement is executed or**
3   **is operating on the date the management agreement is executed."**.
4   Page 27, delete line 17.
5   Page 27, delete lines 38 through 42, begin a new paragraph and
6   insert:
7   **"(b) The management agreement must include the following**
8   **provisions to ensure that the manager does not earn excess revenue**
9   **under the management agreement:**
10   **(1) The budget agency shall calculate the average annual**
11   **growth (expressed as a percentage) in gross revenue earned**
12   **by the commission during the last five (5) full state fiscal years**
13   **preceding July 1, 2006. For purposes of this subsection, this**
14   **percentage is referred to as the "baseline growth percentage".**
15   **(2) Beginning with the second full state fiscal year after the**
16   **execution of the management agreement, the budget agency**
17   **shall for each state fiscal year calculate the growth (expressed**
18   **as a percentage) in gross revenue earned by the manager**
19   **under the management agreement, as compared to the**
20   **preceding state fiscal year.**
21   **(3) The commission shall establish an excess payments**
22   **account for purposes of this subsection. Any earnings from**
23   **money in the excess payments account accrue to the account.**
24   **Money in the excess payments account may be used only to**
25   **make payments to a manager as required by this subsection**
26   **and to receive payments from a manager as required by this**
27   **subsection. Money in the excess payments account is**
28   **continuously appropriated for purposes of this subsection.**
29   **(4) If the percentage calculated by the budget agency under**
30   **subdivision (2) for a particular state fiscal year exceeds the**
31   **baseline growth percentage, the manager must make an**

1   **additional payment to the commission. The amount of the**
2   **additional payment for the state fiscal year is equal to:**
3   **(A) the gross revenue earned by the manager from lottery**
4   **tickets in the state fiscal year; multiplied by**
5   **(B) the difference between the percentage calculated by the**
6   **budget agency under subdivision (2) for the state fiscal**
7   **year and the baseline growth percentage.**
8   **The commission shall deposit any additional payment made**
9   **by the manager under this subdivision into the excess**
10   **payments account.**
11   **(5) If the baseline growth percentage exceeds the percentage**
12   **calculated by the budget agency under subdivision (2) for a**
13   **particular state fiscal year, the commission must make a**
14   **payment to the manager from the excess payments account.**
15   **However, the commission is required to make a payment to**
16   **the manager only if the excess payments account has a**
17   **positive balance. The amount of the payment by the**
18   **commission for the state fiscal year is equal to the lesser of:**
19   **(A) the result of:**
20   **(i) the gross revenue earned by the manager from lottery**
21   **tickets in the state fiscal year; multiplied by**
22   **(ii) the difference between the baseline growth**
23   **percentage and the percentage calculated by the budget**
24   **agency under subdivision (2) for the state fiscal year; or**
25   **(B) the balance in the excess payments account.**
26   **(6) The management agreement must specify the time by**
27   **which a payment required under this subsection shall be**
28   **made.**
29   **(7) If at the expiration or termination of the management**
30   **agreement there is money remaining in the excess payments**
31   **account, the commission shall transfer that money to the**
32   **administrative trust fund established by IC 4-30-15-1.**".
33   Page 28, delete lines 1 through 4.
34   Page 28, line 40, after "state." insert "**The management agreement**
35   **must include guidelines to ensure that advertising and promoting**

1   **of the lottery by the manager are not misleading and fairly balance**
2   **the potential benefits and the potential costs and risks of playing**
3   **lottery games.**".

(Reference is to SB 577 as printed February 23, 2007.)

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Senator DILLON